

EXECUTIVE SUMMARY

Prepared January 27, 1997 [Permit Transfer - Energy Fuels Nuclear, Inc. to International Uranium (USA) Corp. C/o Energy Fuels Nuclear, Inc.]

Mine Name: Redd Block #4 **I.D. No:** M/037/046
Operator: International Uranium (USA) Corp.
c/o Energy Fuels Nuclear, Inc. **County:** San Juan
Three Park Central, Suite 900 **New/Existing:** Existing
1515 Arapahoe Street **Mineral Ownership:** Private/Fee
Denver, Colorado 80202 **Surface Ownership:** Private/Fee
Telephone: (303) 623-8317 **Lease No.(s):** NA

Contact Person: Michelle Rehmann, Environmental Coordinator

Permit Term: Life of Mine

Life of Mine: Uncertain (originally estimated 15 years, mine presently under suspension)

Legal Description: (Current disturbance) S1/2 SW1/4 and S1/2 SE 1/4, Section 33, T28S, R24E, SLBM, San Juan County, Utah

Mineral(s) to be Mined: Uranium/Vanadium

Mining Methods: Underground, random room and pillar mining

Acres to be Disturbed: 22 (original permit), approximately 4 (at present)

Present Land Use: Dry rangeland, limited grazing, mining

Postmining Land Use: Dry rangeland, limited grazing

Variances from Reclamation Standards (Rule R647) Granted: None

Soils and Geology:

Soil Description: Predominantly Monticello very fine sandy loams, low rainfall, 2-10 percent slopes low organic matter poorly developed A horizons.

pH: 7.6 - 8.5

Special Handling Problems: None anticipated

Geology Description: The uranium ore occurs in the Saltwash sandstone member of the Morrison formation located approximately 900 feet below the surface.

Hydrology:

Ground Water Description: Groundwater occurs in the surficial gravel alluvium and the immediately underlying Dakota Sandstone and Burro Canyon Formation. The single proposed vertical shaft entry will be concrete lined and if groundwater is encountered during shaft/vent hole drilling, grout will be used to seal off any inflow.

Surface Water Description: Only ephemeral drainages in general area, no significant impacts anticipated from the mining operations.

Water Monitoring Plan: None required at present time.

Ecology:

Vegetation Type(s); Dominant Species: Sagebrush, rubber rabbitbrush, russian thistle, native grasses, pinion-juniper, crested wheat grass (planted for limited local grazing)

Percent Surrounding Vegetative Cover: 10 - 15%

Wildlife Concerns: None anticipated

Surface Facilities: Proposed structure and facilities include: one single concrete-lined shaft entry, one seven foot diameter venthole to serve as an escapeway, five additional ventholes, a waste-rock dump, approximately 500 feet of access roads, and an undetermined number of buildings such as a hoist-house, shop/maintenance facility, and mine offices.

Mining and Reclamation Plan Summary:

During Operations:

Shaft site and main ancillary facilities will be located @1600 feet east and 500 feet north of the southwest corner of Section 33. Available topsoil will be salvaged in advance of mine site development and it will be stored in stabilized and revegetated stockpiles. A single, concrete lined, twelve foot shaft entry is proposed. Underground development driven to the east and west. A 7-8 foot diameter venthole to be drilled and lined as a secondary escapeway. Five or more ventholes 5-8 feet in diameter are anticipated during the life of the mine.

Waste rock generated from mine development will be deposited on the surface south and west of the shaft. Typical end-dumping will create an outslope angle of @35 degrees. Revegetation test plots will be employed to determine suitable reclamation seed mix for the mine site areas. Mining

operations will be conducted in a safe, sound, technical and prudent miner-like manner. New access roads will be constructed in a manner to allow for proper drainage and erosion control.

The mine site is presently in a state of suspension and has not been fully developed to date. Existing mine disturbances total approximately 4 acres, most of which has been reasonably stabilized with an interim seedmix of crested wheatgrass as per request of local rancher. Present facilities include 2 dewatering/evaporation ponds, a hoist house and pad area. Past DOGM inspection reports indicate good interim revegetative growth on the pad and pond-areas.

After Operations:

Upon final abandonment of the mine, surface debris, scrap metal, discarded wood and unusable buildings will be buried and/or removed from the site. The headframe, buildings and other surface facilities will be dismantled and removed. The shaft and ventilation holes will be sealed with suitable concrete-steel covers to prevent accidental or unauthorized entry.

Dumps, pads and other disturbed areas will be stabilized. Stabilization will consist of rounding off the outer edges of the dumps and pads, reducing the slope of the waste rock faces and regrading drainage contours. Topsoil and overburden will be spread back over these areas where possible. Evaporation and sediment control ponds will be reclaimed. Roads will be graded to match the existing topography.

Compacted surfaces will be scarified before seeding. Scarified surfaces will be seeded with the recommended seed mixture in the fall, and drag covered. Soil amendments and/or other proven surface techniques will be employed if the revegetation test plots show additional measures are helpful in enhancing revegetation success.

Surety:

Amount: \$7,600 (2002 \$'s - @4 acres disturbance)

Form: Surety Bond

Renewable Term: 5 years